

**CITY OF SAN JOSE**  
**OFFICE OF THE CITY AUDITOR**  
**Procedure No. M-15**

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**AUDIT FIELDWORK – PHASE I (RISK ASSESSMENT)**

**Purpose**

To document the audit program and results pertaining to the Risk Assessment phase of the audit.

**Background**

The objectives of Risk Assessment are:

1. To identify the threats (unwanted events or occurrences) facing the program or contract under audit;
2. To identify the controls or procedures the city has in place to prevent, eliminate or minimize the threats;
3. To determine the probability that non-compliance and abuse, which individually or in the aggregate material, could occur and not be prevented or detected in a timely manner by the internal controls in place;
4. To assess the internal control structure (the control environment, control procedures, and the accounting systems) in accordance with SAS 55;
5. To develop audit procedures to see if the controls or procedures the city has in place to prevent, eliminate, or minimize identified threats are working; and
6. To determine if additional audit procedures are necessary to document threats actually occurring.

**Procedure**

Audit Staff	<ol style="list-style-type: none"><li>1. Obtain a copy of the City Auditor’s Risk Assessment Audit Program and Results (APR) from Procedure No. <a href="#">5-05A</a>.</li><li>2. Modify the APR as necessary to accommodate the needs of the current audit assignment.</li></ol>
Supervising Auditor and City Auditor	<ol style="list-style-type: none"><li>3. Review and approve the Risk Assessment APR.</li></ol>
Audit Staff	<ol style="list-style-type: none"><li>4. File the Risk Assessment APR in the audit workpapers.</li><li>5. As the audit progresses, update the APR</li></ol>